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# WISCONSIN MEDICAID UPDATE

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JULY 14, 1998

## UPDATE 98-24

### TO:

HMOs and Other Managed Care  
Programs  
Home Health Agencies  
Nurses in Independent Practice  
Personal Care Agencies

## Home Care Rate Increase Adjustments

### Background information about usual and customary charges and maximum allowable fees

When health care professionals and agencies become Medicaid-certified providers, they agree to:

- Bill Medicaid their usual and customary charge—the amount they would charge a non-Medicaid patient for the same service.
- Accept as payment the lesser of their usual and customary charge or the Medicaid maximum allowable fee.

Providers determine their usual and customary charges. The Department of Health and Family Services (DHFS) sets the maximum allowable fees. Providers are reimbursed at the lesser of their billed amount or the maximum allowable fee.

### Maximum allowable fees for increases

In mid-October 1997, Wisconsin Act 27, the 1997-99 biennial budget, was passed, which authorized a 2 percent increase in maximum allowable fees effective retroactively to July 1, 1997.

The DHFS began to pay the new rates on December 7, 1997, for services provided on or after July 1, 1997. Claims paid **before** December 7, 1997, must be adjusted for providers to get the increased rate.

This Update explains how home care providers who did not receive the automatic 2 percent reimbursement increase for services provided from July 1 through December 7, 1997, can request claims adjustments.

### Most paid claims have been automatically adjusted

Wisconsin Medicaid has reprocessed paid claims received before December 7, 1997, using the new maximum allowable fee schedule. For paid claims on which the charge billed was at least 2 percent higher than the old maximum allowable fee, the claims processing system automatically paid the increased reimbursement rate minus the amount already paid.

### Requesting adjustments for other claims

Wisconsin Medicaid cannot automatically add 2 percent to paid claims that have charges below a new maximum allowable fee. The claims processing system pays only the provider's charge or the new maximum allowable fee, whichever is less.

Providers who serve only Medicaid recipients and whose usual and customary charges equaled the maximum allowable fee for services after July 1, 1997, and before December 7, 1997, can submit a request to adjust their charges on these claims. Wisconsin Medicaid cannot alter provider claims without a written request from the provider.

Refer to Section X and Appendix 27 of Part A, the all-provider handbook, for instructions about submitting requests for claims adjustments. For adjustments that will exceed the 365-day after date-of-service filing deadline, as explained in this document, submit adjustments to:

Attn: Late Billing  
EDS  
6406 Bridge Rd., Ste. 50  
Madison, WI 53784-0050

An exception to the filing deadline will be allowed through December 7, 1998.

## **July 1, 1998, rate increases**

Because Wisconsin Act 27 provided for 2 percent rate increases in each year of the biennium, maximum allowable fees will increase again July 1, 1998. Charges listed on the claim form submitted to Wisconsin Medicaid should reflect the provider's usual and customary charges. If the only patients a provider serves are Medicaid recipients and the Medicaid maximum allowable fee is used as the usual and customary charge, providers may wish to adjust their charges for services on and after July 1, 1998. Providers with usual and customary charges that are the same or more than the Medicaid fees will receive the 2 percent rate increase without adjustments.